Statement-II

Value of rupee vis-a-vis other International Currencies

695. SHRIMATI VEENA VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether, with inflation at its lowest, the rupee value against dollar and other international currencies has been depreciating;

(b) if so, the lowest level to which rupee-value had depreciated against dollar, Yen and Sterling during each of the past six months; and

(c) the steps, if any, taken to provide strength to the rupee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The exhange rate of the rupee is market determined. The nominal exchange rate so determined by the market is excepted to be influenced over the period by, among other factors, the differential in the rates of inflation in India and abroad to maintain the real exchange rate constant. Despite the rate of inflation in India now being the lowest recent years, it is still higher than the rates of inflation obtaining in India's major trading partner countries.

(b) As per the FEDAI indicative rates, the value of rupee against the US dollar, the Japanese Yen and the Pound Sterling had reached the lowest level in each of the past six months, as given below:

Month	FEDAI Indicative Rates		
	Rs./US$	Rs./100 Yens	Rs./P. Sterling
June 1999	43.390 (25.6.99)	36.525 (10.6.99)	69.445 (14.6.99)
July 1999	43.395 (9.7.99)	37.575 (30.7.99)	69.911 (30.7.99)
August 1999	43.550 (20.8.99)	39.311 (23.8.99)	70.540 (20.8.99)

September 1999	43.600 (29.9.99)	42.035 (23.9.99)	71.884 (29.9.99)
October 1999	43.595 (1.10.99)	41.693 (27.10.99)	72.755 (22.10.99)
November 1999	43.425 (5.11.99)	42.384 (30.11.99)	71.490 (3.11.99)

Note: The terms in brackets indicate the date on which the exchange value of rupee was ruling the lowest in each of the months against the respective foreign currencies.

(c) The exchange rate developments are closely monitored both by the Government and the Reserve Bank of India (RBI). The long term measures undertaken by the authorities include fostering macro-economic stability, pursuit of rapid growth of output and productivity, appropriate policies to keep the level of the current acount deficit within sustainable levels and to manage capital flow consistent with the country's requirement of external financing. These measures have helped to maintain reasonable stability in the external value of the rupee.

Modalities of disinvestment of Government Equity in PSUs

696. SHRI GAYA SINGH:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have prepared modalities of disinvestment of Government equity in the Public Sector Undertakings;

(b) if so, the details thereof;

(c) whether there has been disagreement between the Petroleum Ministry and the Finance Ministry on the modalities of the disinvestment; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b)